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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, NOVEMBER 8, 1999

APPLICATION OF

APPALACHIAN POWER COMPANY

CASE NO. PUE990716

To revise its fuel factor
pursuant to Va. Code § 56-249.6

AMENDING ORDER

On November 2, 1999, the Commission issued in this proceeding an "Order Establishing 1999-2000 Fuel Factor Proceeding" for Appalachian Power Company ("Appalachian" or "the Company"). The order specified an interim fuel factor of 1.297¢/kWh to become effective with bills rendered on and after December 1, 1999. It was intended that the interim factor would be based upon the Company's estimate of annual fuel expenses reduced by the estimated annual cost of SO₂ emission allowances. However, it has come to our attention that a computational error was made in determining the interim fuel factor; therefore, an interim factor correcting this error has been determined. In addition, subsequent to the Company's initial filing, the Company provided a revised estimate of its deferred fuel balance for the end of the current fuel year. Based upon adjustments for these two items, an appropriate interim fuel factor is 1.339¢/kWh. Because of the significant adjustment in the

estimated year-end deferred fuel balance, the interim factor is greater than the factor requested by the Company in its initial application.

Because of these adjustments, the Company will require additional time to publish its notice of this proceeding, and the dates for the filing of notices of protest and protests will also require revision.

NOW THE COMMISSION, having considered this matter, is of the opinion that ordering paragraph (3) of our November 2, 1999, "Order Establishing 1999-2000 Fuel Factor Proceeding" shall be amended to state that an interim fuel factor of 1.339¢/kWh is appropriate and shall go into effect with bills rendered on and after December 1, 1999. Additionally, ordering paragraphs (5), (6), (10) and (11) shall be amended with revised dates by which the Company shall publish and serve notice of its application, and Protestants shall file Notices of Protest and Protests.

Accordingly, IT IS ORDERED THAT:

(1) A fuel factor of 1.339¢/kWh is hereby effective, on an interim basis, with bills rendered on and after December 1, 1999.

(2) On or before December 3, 1999, any person desiring to participate as Protestant, as defined in Rule 4:6 of the Commission's Rules of Practice and Procedure ("S.C.C. Rules"), shall file with the Clerk of the Commission, Document Control

Center, P.O. Box 2118, Richmond, Virginia 23218, an original and twenty (20) copies of a notice of protest as provided in S.C.C. Rule 5:16(a) and serve a copy on counsel for the Company as follows: Michael J. Quinan, Woods, Rogers & Hazlegrove, P.L.C., 823 East Main Street, Suite 1200, Richmond, Virginia 23219.

(3) On or before December 3, 1999, each Protestant shall file an original and twenty (20) copies of a Protest (S.C.C. Rule 5:16(b)), and an original and twenty (20) copies of the prepared testimony and exhibits Protestant intends to present at the hearing, and serve two (2) copies of each on Appalachian and all other Protestants.

(4) On or before November 18, 1999, Appalachian shall cause a copy of the following notice to be published as display advertising (not classified), on one occasion in newspapers of general circulation throughout its service territory:

NOTICE TO THE PUBLIC OF THE
1999-2000 FUEL FACTOR PROCEEDING
FOR APPALACHIAN POWER COMPANY

On October 20, 1999, Appalachian Power Company ("Appalachian") filed an application with the State Corporation Commission ("Commission") for a decrease in its fuel factor from 1.482¢/kWh to 1.325¢/kWh effective with bills rendered on and after December 1, 1999. As the hearing for this proceeding will not occur until after the requested date of the new fuel factor, the Commission has ordered an interim fuel factor of 1.339¢/kWh to become effective with bills rendered on and after December 1, 1999. This interim factor is based upon

Appalachian's requested factor, but modified for two adjustments. The first adjustment excludes the cost of SO₂ emission allowances, which are not currently included in the Definitional Framework of Fuel Expenses for Appalachian. The second adjustment incorporates a revised estimate of Appalachian's year-end deferred fuel balance which became available subsequent to Appalachian's filing.

Pursuant to § 56-249.6 of the Code of Virginia, the Commission has scheduled a public hearing to commence at 10:00 a.m. on December 15, 1999, in the Commission's Second Floor Courtroom, Tyler Building, 1300 East Main Street, Richmond, Virginia, for the purpose of receiving evidence related to the establishment of Appalachian's fuel factor. Persons desiring a copy of the application, testimony and exhibits filed by Appalachian shall direct their requests to Michael J. Quinan, Woods, Rogers & Hazlegrove, P.L.C., 823 East Main Street, Suite 1200, Richmond, Virginia 23219.

The application, testimony, and exhibits filed by Appalachian are available for public inspection at the Commission's Document Control Center, First Floor, Tyler Building, Richmond, Virginia.

Any interested person desiring to make a statement at the hearing should appear in the Commission's courtroom at 9:45 a.m. on the hearing date and identify himself or herself to the bailiff.

On or before December 3, 1999, persons desiring to participate as Protestants, as defined in Rule 4:6 of the Commission's Rules of Practice and Procedure ("S.C.C. Rules"), to present evidence and cross-examine witnesses, shall file with the Clerk of the Commission an original and twenty (20) copies of a notice of protest as

described in S.C.C. Rule 5:16(a) and shall serve a copy upon Appalachian. Service upon Appalachian shall be directed to Michael J. Quinan, Woods, Rogers & Hazlegrove, P.L.C., 823 East Main Street, Suite 1200, Richmond, Virginia 23219.

On or before December 3, 1999, each Protestant shall file an original and twenty (20) copies of a Protest (S.C.C. Rule 5:16(b)) and an original and twenty (20) copies of the prepared testimony and exhibits Protestant intends to present at the public hearing, and serve two (2) copies each upon Appalachian and each other Protestant. All written communications to the Commission regarding this proceeding shall identify Case No. PUE990716, and shall be directed to Joel H. Peck, Clerk, State Corporation Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218.

APPALACHIAN POWER COMPANY

(5) On or before November 18, 1999, Appalachian shall serve a copy of this Order on the chair of the board of supervisors of each county (or equivalent officials in counties having alternate forms of government) in which the Company offers service, and on the mayor or manager of every city and town (or an equivalent official in cities and towns having alternate forms of government) in which the Company offers service. Service shall be made by either personal delivery or by first-class mail to the customary place of business or the residence of the persons served.

(6) All other provisions of the November 2, 1999, order in this proceeding shall remain in full force and effect.